

JANUARY 2017

## Immigration on the Rise in Atlantic Canada

- Immigration to Atlantic Canada has risen, owing to expanded use of Provincial Nominee Programs, and it will increase further through a new federal Atlantic Immigration Pilot.
- While labour outcomes for economic immigrants are positive for those who choose to remain in the region, overall retention rates are low.
- Lengthy processing times are a barrier to effective use of immigration by the business community.

The number of immigrants to Atlantic Canada has tripled since 2002, reaching a record 8,300 in 2015. There was a further increase last year, with more than 11,600 immigrants arriving in the first nine months of 2016. About 80% of these immigrants are destined for the region's leading urban centres – the four provincial capitals plus Moncton and Saint John.

Atlantic immigration numbers have increased, owing to growth in the number entering through Provincial Nominee Programs, whereby the provinces select and nominate potential immigrants who, after health, security and other screening, are approved by the federal government for permanent residency.

The number of principal applicant nominees arriving in the Atlantic region reached 1,725 in 2015. Along with their spouses and dependents, the total number of provincial nominees landing in 2015 totalled 4,640. New Brunswick (1,765) and Nova Scotia (1,395) received the largest number of nominees, followed by Prince Edward Island (950) and Newfoundland and Labrador (530).

The total number of immigrants each province may nominate is capped by the federal government, with the region allowed to nominate a total of 2,325 principal applicants in 2016.

However, the Atlantic provinces also may nominate an additional 1,975 principal applicants through the federal government's express entry scheme. Express entry was introduced in January 2015 as an online system to expedite the processing of applications for existing economic streams and to prioritize applicants believed to have the best chance of succeeding in Canada.

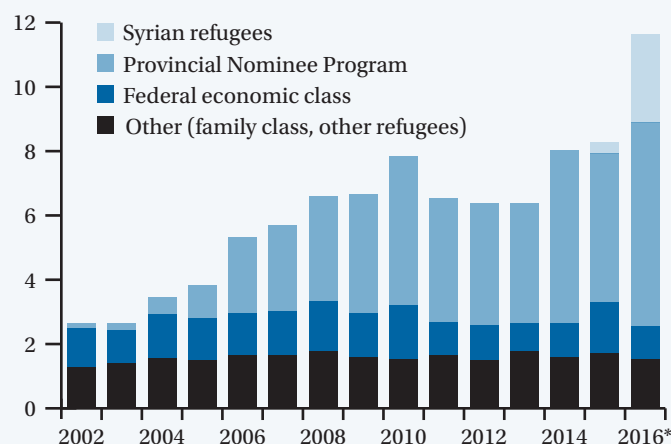
Only 1,560 immigrants arrived in Atlantic Canada through federal economic categories in 2015, primarily the Federal Skilled Worker and Canadian Experience Class streams. Other federal immigrant programs, mainly family class and refugees, contributed 2,100. The number of refugees surged last year with over 3,100 Syrian refugees arriving in the region between November 2015 and September 2016.

APEC estimates that the total number of provincial nominees in Atlantic Canada could reach 10,600 annually, if the provinces fully use their existing federal allotments and the recent ratio of principal applicants to spouses and dependents remains the same. This suggests total immigration to the region could average about 13,900 annually, even as the number of refugees returns to more normal levels.

Beyond these programs, the federal and Atlantic governments announced in 2016 an Atlantic Immigration Pilot that would allow entry of a further 2,000 principal applicants in 2017, which would imply a total of about 4,800 additional immigrants. If these totals are met, it could push total Atlantic immigration to 18,700.

### Provincial Nominee Program Accounts for Growth in Atlantic Immigration

Number of immigrants by category, Atlantic Canada (thousands)



Source: Immigration, Refugees and Citizenship Canada

\* January-September only

## Integration and Retention

Immigrants take time to integrate, but they generally achieve positive economic outcomes in Atlantic Canada.

For Atlantic immigrants aged 25-54, the employment rate – the population share that is employed – averaged 69%, for those within their first five years of landing. For immigrants that have been here for ten or more years, their employment rate rises to 82%, higher than the Canadian-born rate of 79%.

For provincial nominee principal applicants arriving since 2005, employment income in their first year in Atlantic Canada has averaged 3% above that of all taxfilers. By their fifth year, their incomes were 17% above the Atlantic average.

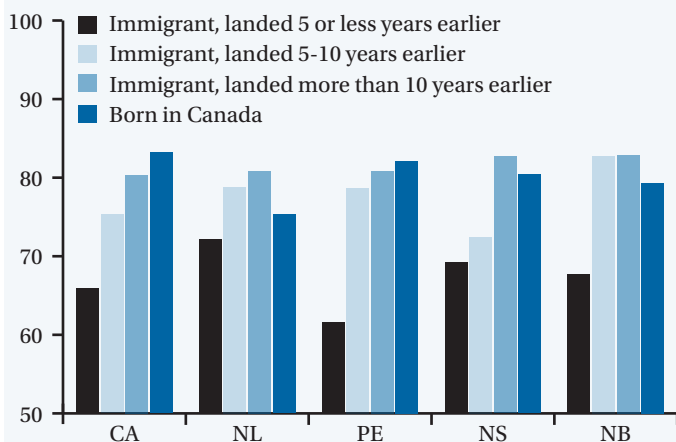
However, the low regional retention rate for immigrants indicates the limits of immigration policy and moderates the boost to population numbers. For economic principal applicant taxfilers, whether provincial nominees or federal skilled workers, only 64% of those who land in the Atlantic provinces file taxes in the region one year later. And after five years, the retention rate of Atlantic immigrant taxfilers falls to 47%.

## Program Considerations

Increased immigration to Atlantic Canada will depend in large part upon the interest of employers to recruit permanent international workers. Most provincial streams require a job offer and express entry favours applicants with a job offer.

### Atlantic Immigrants Find Jobs, But Integration Takes Time

Employment rate\* by immigrant status, average 2011-2015 (%)

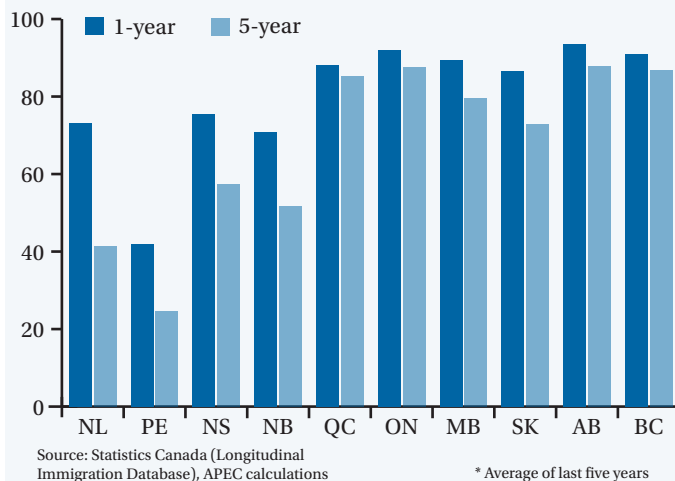


Source: Statistics Canada (Labour Force Survey)

\* Proportion of population employed, aged 25-54 years

### Long-Term Retention of Atlantic Immigrants Remains a Key Challenge

Retention rate\* of principal applicant economic immigrant taxfilers by number of years since landing (%)



Source: Statistics Canada (Longitudinal Immigration Database), APEC calculations

\* Average of last five years

However, lengthy processing times are a barrier to greater use of immigration by the business community. The federal government is currently processing complete online express entry applications within six months (although this does not include the time required for applicants to submit a profile, be invited to apply, and then submit their application). For other provincial nominee applications, however, federal processing times are a disturbing 16 months, although employers may use the temporary foreign worker program to get an international worker on the job sooner. The federal government needs to ensure it has sufficient resources to process all economic applications in a timely manner, including the new Atlantic Immigration Pilot and all provincial nominees.

Employers want to bring in a foreign worker as quickly as possible but may need help navigating the immigration process and deciding which immigration program is most suitable. The proposed Atlantic Immigration Pilot will add to existing federal immigration streams and the regular and express entry nominee programs available in each Atlantic province.

Finally, the selection of economic immigrants needs to balance immediate labour market needs, which might include a verified job offer, with factors that contribute to long-term success and a high retention rate, such as language proficiency and the capacity for a spouse to successfully integrate. Over time, developing clusters of immigrant communities may also help to facilitate integration and improve retention.